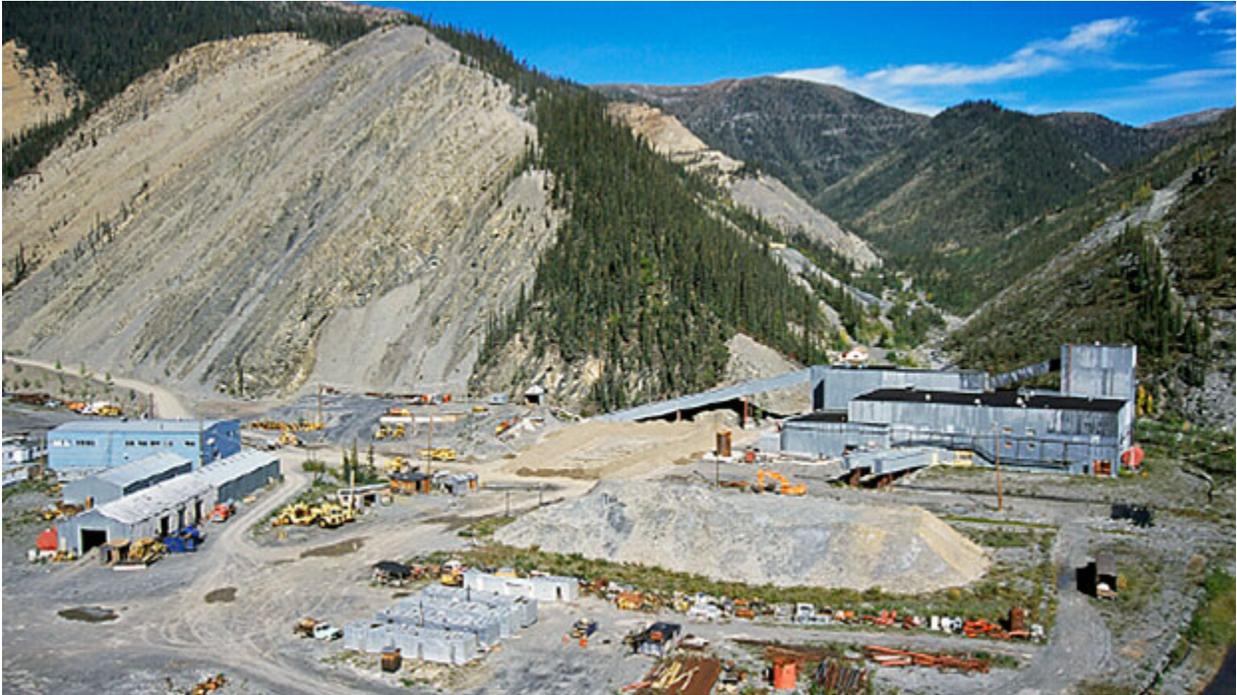


Nahanni reserve zinc mine gets OK

[CBC News](#)

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The value of the zinc, lead and silver deposit at the Prairie Creek mine is estimated at \$2.5 billion. (Canadian Zinc Corp.)

Vancouver-based Canadian Zinc Corp. announced Friday it has received approval by a regulatory authority to go ahead with development of a controversial mine on the boundary of a national park reserve and world heritage site in the Northwest Territories.

The Mackenzie Environmental Impact and Review Board has given approval to Canadian Zinc Corp.'s Prairie Creek mine in the Nahanni National Park Reserve.

Canadian Zinc shares rose eight cents, or 11 per cent, to 78 cents on 10 times their usual volume at midday on the Toronto Stock Exchange.

The board said the mine, which was largely constructed in the 1980s but never operated, wouldn't pose any significant environmental hazard.

But it was divided on the issue.

Two members said the majority who ruled in favour of the mine relied too heavily on company promises that weren't backed up by solid plans. They also said not enough weight was given to aboriginal concerns about water quality.

"I'm very happy," said Canadian Zinc president John Kearney.



Canadian Zinc 3-month chart

"We hope with this positive report that the timelines can now move quickly."

Kearney said he didn't anticipate any problems meeting the conditions recommended by the board, which involve improving water storage, tailings management and ore concentrate transport.

The mine has been bitterly opposed by environmentalists.

Prairie Creek flows into the Nahanni River, one of Canada's most scenic wilderness rivers and a global destination for canoeists. The area is prime habitat for Dall sheep, woodland caribou and grizzly bears.

UNESCO declared the area a world heritage site in 1978.

Much of the bedrock under the land is highly permeable, which makes it vulnerable to any type of spill or contamination.

"We're satisfied that the project can be operated and closed with minimal impacts on the environment," Kearney said.

"We have designed this with the highest standards and the best protection in mind."

The project will now go before the Mackenzie Valley Land and Water Board for specific construction permits and before federal Northern Affairs Minister John Duncan and cabinet for final approval.

The mine property was surrounded by the Nahanni National Park Reserve when it was expanded by then-environment minister Jim Prentice in 2009.



Prairie Creek flows into the Nahanni River, one of Canada's most scenic wilderness rivers and a global destination for canoeists. Canadian Zinc

However, the company's mineral rights to the property were preserved.

The value of the zinc, lead and silver deposit is estimated at \$2.5 billion.

Much of the mine infrastructure needs to be updated or replaced, including the power plant and water treatment facility, Kearney said.

Approval to upgrade the road to the site was granted previously.

Kearney said benefits agreements are in place for the two closest aboriginal communities of Nahanni Butte and Fort Simpson.

Canadian Zinc has committed to the territorial government to hire 60 per cent northerners and 25 per cent aboriginal staff.

The company estimated building the mine would create 170 jobs, with about 220 jobs during its lifespan, which is expected to be at least 20 years.

Construction could begin late next year with the earliest start for production in late 2013.

Output will start at 600 tonnes a day and could as much as double eventually.